

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

GUARDIAN INDUSTRIES CORP.,

Plaintiff,

v.

INNOLUX DISPLAY CORP.,

Defendant.

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Case No.: 06-748-SLR

Jury Trial Demanded

GUARDIAN'S REPLY TO INNOLUX DISPLAY CORP.'S COUNTERCLAIMS

Guardian Industries Corp. ("Guardian") replies to the counterclaims of InnoLux Display Corporation ("InnoLux") as follows:

44. Admitted.

45. Admitted.

46. Admitted.

47. Guardian admits that InnoLux's counterclaims seek declaratory relief from Guardian's patent infringement claims, but denies that the counterclaims have any merit and denies that InnoLux is entitled to any of the relief sought in its counterclaims or Prayer. Guardian denies any and all remaining averments in Paragraph 47 of InnoLux's counterclaims.

48. Admitted.

49. Admitted.

50. Guardian repeats and incorporates herein by reference its responses to paragraphs 44-49.

51. Guardian admits that there exists and actual controversy between Guardian and InnoLux concerning infringement of the '214 Patent. Guardian denies any and all remaining averments in Paragraph 51 of InnoLux's counterclaims.

52. Denied

53. Paragraph 53 of InnoLux's counterclaims is a request for relief, and does not state any allegation that calls for a response. InnoLux is not entitled to a declaration from the Court that each claim of the '214 is not infringed and/or is invalid under one or more provisions of Title 35 of the United States Code. Guardian denies any and all remaining averments in Paragraph 53 of InnoLux's counterclaims.

54. Guardian repeats and incorporates herein by reference its responses to paragraphs 44-49.

55. Guardian admits that there exists and actual controversy between Guardian and InnoLux concerning infringement of the '187 Patent. Guardian denies any and all remaining averments in Paragraph 55 of InnoLux's counterclaims.

56. Denied

57. Paragraph 57 of InnoLux's counterclaims is a request for relief, and does not state any allegation that calls for a response. InnoLux is not entitled to a declaration from the Court that each claim of the '187 is not infringed and/or is invalid under one or more provisions of Title 35 of the United States Code. Guardian denies any and all remaining averments in Paragraph 57 of InnoLux's counterclaims.

58. Guardian repeats and incorporates herein by reference its responses to paragraphs 44-49.

59. Guardian admits that there exists an actual controversy between Guardian and InnoLux concerning infringement of the '065 Patent. Guardian denies any and all remaining averments in Paragraph 59 of InnoLux's counterclaims.

60. Denied

61. Paragraph 61 of InnoLux's counterclaims is a request for relief, and does not state any allegation that calls for a response. InnoLux is not entitled to a declaration from the Court that each claim of the '065 is not infringed and/or is invalid under one or more provisions of Title 35 of the United States Code. Guardian denies any and all remaining averments in Paragraph 61 of InnoLux's counterclaims.

62. Guardian repeats and incorporates herein by reference its responses to paragraphs 44-49.

63. Guardian admits that there exists an actual controversy between Guardian and InnoLux concerning infringement of the '588 Patent. Guardian denies any and all remaining averments in Paragraph 63 of InnoLux's counterclaims.

64. Denied

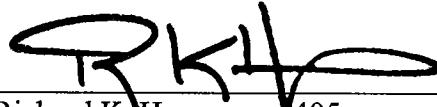
65. Paragraph 65 of InnoLux's counterclaims is a request for relief, and does not state any allegation that calls for a response. InnoLux is not entitled to a declaration from the Court that each claim of the '588 is not infringed and/or is invalid under one or more provisions of Title 35 of the United States Code. Guardian denies any and all remaining averments in Paragraph 65 of InnoLux's counterclaims.

66. Paragraph 66 of InnoLux's filing contains no allegation that necessitates any admission or denial from Guardian.

WHEREFORE Guardian respectfully submits that InnoLux's counterclaims should be dismissed, with costs assessed against InnoLux, and seeks such further relief as the Court deems appropriate.

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Dated: May 24, 2007



Richard K. Herrmann #405
MORRIS JAMES LLP
500 Delaware Avenue, Suite 1500
Wilmington, Delaware 19801
(302) 888-6800

Of counsel:

Bryan S. Hales (pro hac vice)
Meredith Zinanni (pro hac vice)
KIRKLAND & ELLIS LLP
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2000

Counsel for Plaintiff Guardian Industries Corp.

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of May, 2007 I electronically filed the foregoing document, **GUARDIAN'S REPLY TO INNOLUX DISPLAY CORP.'S COUNTERCLAIMS**, with the Clerk of the Court using CM/ECF which sent notification of such filing to the following:

Steven J. Balick
John G. Day
Lauren E. Maguire
Ashby & Geddes
500 Delaware Avenue, 8th Floor
Wilmington, DE 19899

Additionally, I hereby certify that the foregoing document was also served via e-mail and hand delivery on the above.

/s/ Richard K. Herrmann
Richard K. Herrmann
Morris James LLP
500 Delaware Avenue, 15th Floor
Wilmington, DE 19801
(302) 888-6800
rherrmann@morrisjames.com